

Message Text

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43

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FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC 433

INFO AMEMBASSY NAIROBI

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E.O. 11652: N/A

TAGS: BTIO, BAGB, TZ

SUBJ: OPPORTUNITY FOR U.S. CONSULTING FIRMS IN TANZANIA

1. THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) RECENTLY APPROVED A DOLS7.5 MILLION LOAN TO TANZANIA. OF THIS DOLS6.2 MILLION WILL BE USED BY TANZANIA INVESTMENT BANK (TIB) TO FINANCE 80 MAN-YEARS OF CONSULTANCY SERVICES, PRIMARILY TO PREPARE FEASIBILITY STUDIES FOR BANKABLE PROJECTS IN INDUSTRIAL AND MINING SECTORS.

2. TIB WILL SOON BE CONTACTING LOCAL AND FOREIGN FIRMS TO STUDY DEVELOPMENT POSSIBILITIES OF CONSUMER INDUSTRIES, SUCH AS CLOTHING, EDIBLE OIL; INTERMEDIATE INDUSTRIES SUCH AS TEXTILES, CEMENT, GLASS AND MINING, SUCH AS EXPLOITATION OF IRON RESERVES IN SOUTH WEST, GEM STONES AND SODA ASH. IDA FUNDS CAN ALSO BE USED TO FINANCE STUDEIS LEADING TO INVESTMENT PROJECTS IN FIELDS OF TOURISM AND LARGE SCALE AGRICULTURE.

3. MR. MSUYA, SECRETARY OF TIB, TOLD ECON OFF ON JAN. 6 THAT TAN GOV-OWNED CORPORATIONS HAD ALREADY SUBMITTED LARGE NUMBER OF PROPOSED STUDIES FOR FINANCING UNDER IDA CREDIT. SOME PROPOSALS INCLUDE RECOMMENDED FOREIGN FIRM TO CARRY OUT STUDY. IN ADDITION, NUMEROUS U.S., BRITISH AND OTHER CONSULTING FIRMS HAVE OFFERED THEIR SERVICES TO TIB IN CONNECTION IDA LOAN. ACCORDING MSUYA, NO COMMITMENTS HAVE YET BEEN MADE. HE EXPLAINED THAT A TIB/TANGOV COMMITTEE WILL RANK ORDER PROPOSALS FOR FEASIBILITY STUDEIS ON BASIS THEIR POTENTIAL FINANCIAL RETURN. IN MOST CASES INTERNATIONAL TENDERS FOR CONSULTANCY WORK WOULD THEN BE ISSUED ON PROJECT BASIS.

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INSOME INSTANCE A SPECIFIC CONSULTANT WILL BE CHOSEN WITHOUT

TENDER ON BASIS HIS UNIQUE KNOWLEDGE, REPUTATION AND EXPERIENCE
RELATED TO PROJECT.

4. EMBASSY COMMENT: AS NOTED IN PREVIOUS EMBASSY REPORTING(FOR
EXAMPLE, DAR A-112 AND A-113 OF AUGUST 75, DAR 2059 AND 4524),
MIN. AGRICULTURE AND NATIONAL FOOD AND AGRICULTURE CORP. (NAFCO)
HAD EARLIR INVITED US AGRO-BUSINESS FIRMS TO HELP EXPLOIT
POTENTIAL FOR MODERN FARMING. SOME US FIRMS HAVE RESPONDED. THERE
HAD BEEN LITTLE PROGRESS TO DATE, MAINLY DUE TANGOV'S SHORTAGE OF
FOREIGN EXCHANGE TO FUND FEASIBILITY STUDIES. HOPEFULLY, TIB
WILL ALLOCATE SOME OF IDA CREDIT TO NAFCO TO ENABLE IT HIRE US
AGRO CONSULTANTS. NAFCO AND PRINCIPAL SECRETARY IN MIN. AGR.
RECENTLY REAFFIRMED TO ECON OFF. DESIRE BY TANGOV TO HAVE US
FIRMS HELP DEVELOP AND MANAGE MODERN AGRICULTURAL ENTERPRISES.
PRIN. SEC. ADDED, HOWEVER, THAT TAN GOV NO LONGER WELCOMING
EQUITY INVESTMENT BY US OR OTHER FOREIGN FIRMS IN AG. SECTOR.

5. IN ADDITION TO LOAN DESCRIBED ABOVE, IDA ALSO RECENTLY
APPROVED LARGE LOAN TO SUPPORT NATIONAL MAIZE PROJECT. THIS
PROJECT WILL INCLUDE 60 MAN MONTHS OF CONSULTANCY WORK TO DO
PRE-INVESTMENT STUDY FOR A NATIONAL GRAIN RESERVE AND FOR
EXPANSION OF NATIONAL MILLING CORP.'S STORAGE AND MILLING
FACILITIES. TENDER FOR CONSULTANT ANNOUNCED BY MIN. OF
AGRICULTURE ON JAN. 8. UNFORTUNATELY SHORT DEADLINE FOR BIDS,
AJN. 31, 1976, MAKES IT DIFFICULT FOR US FIRMS TO COMPETE.

6. FOR NAIROBI: PLEASE PASS COPIES OF THE CABLE TO INTERESTED
US BUSINESSMEN, SUCH AS TIM ROSE AND BOB WARE WHO HAVE REQUESTED
UN INVESTIGATE THESE OPPORTUNITIES.
SPAIN

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